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WEEKLY VIETNAM INDICATORS

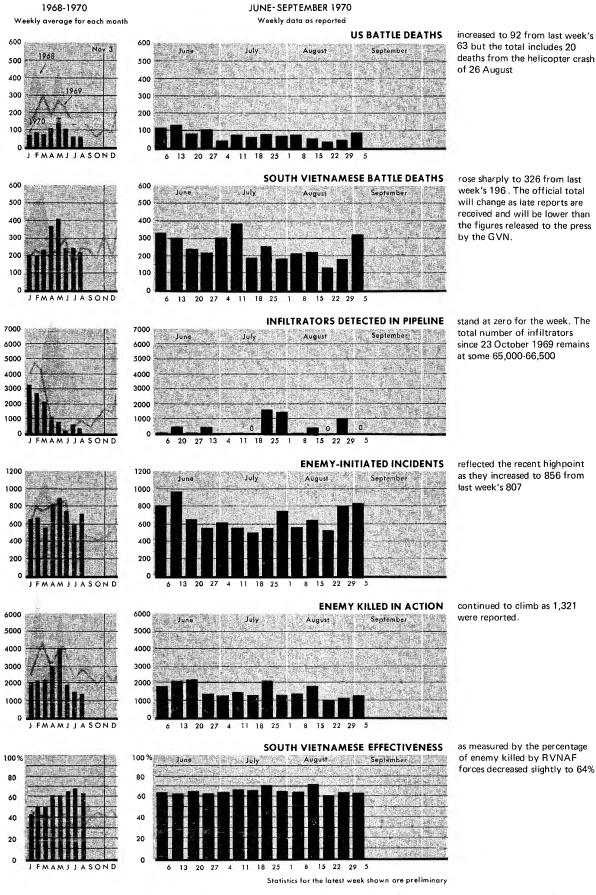
Week Ending 5 September 1970

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For the President Only

Top Survet

SOUTH VIETNAM WEEKLY INDICATORS



FOR THE PRESIDENT ONLY

Enemy Activity

Enemy activity in South Vietnam decreased sharply after the flurry of attacks in widely separated areas that lasted from 30 August to 2 September. These attacks, which coincided with several important Communist anniversaries, generally involved indirect fire and concentrated on outlying outposts. They did not have much impact on the conduct of the Senate elections on 30 August.

During the week here covered, military activity picked up on three fronts in Laos. In northeast Laos, irregular forces under Military Region (MR) II Commander Vang Pao, which earlier had suffered setbacks in their drive toward Ban Na (Operation LEAP FROG), were able to seize and hold territory in the vicinity of Muong Soui, west of the Plain of Jars (PDJ). Vang Pao's forces are also aggressively patrolling south and southwest of the PDJ. In MR III, five Royal Lao Government (RLG) battalions continued moving toward enemy-occupied territory in the eastern panhandle in spite of increasing enemy resistance. In MR IV, RLG troops regained one lost site and engaged enemy units east of friendly-held bases on the Bolovens Plateau.

In Cambodia, the Communists continued to maintain pressure on widely separated areas by minor attacks and harassing actions against government defensive positions. To the south of Phnom Penh, the towns of Saang and Srang were attacked as the Communists continue to edge closer to the capital. The Communists now have an estimated 5,600 men within a 20-mile radius of Phnom Penh facing some 20,000 government soldiers. Their campaign to isolate Phnom Penh and tie down Cambodian forces in the defense of population centers appears designed to demoralize the Lon Nol government and the general population. Keeping the Cambodian government on the defensive in close proximity to urban areas also enables the Communists to re-establish their border base areas, rebuild and extend their lines of communication, and -- most importantly -- to organize and train ethnic Cambodians in rural areas under Communist control.

Infiltration

The low level of personnel infiltration continues as no new south-bound groups were detected during the week. The infiltration total since 23 October 1969 remains at some 65,000 - 66,500.

No evidence is yet available indicating that the flow of one infiltration group a day, forecast to begin on 6 September in a 28 August message, has started. If these groups are in fact underway, indications of their movement should become available in the near future. It is quite possible that the extremely bad weather in southern North Vietnam and south Laos, which has severely hampered the movement of materiel southward, could also delay the departure of the infiltration groups referred to in that 28 August message.

South Vietnam Developments

Despite President Thieu's request to Senate Chairman Nguyen Van Huyen that he call a special session of the lame duck Senate to consider emergency economic legislation, there appears to be little hope for action this month because of the large number of Senators away on the GVN Cabinet believes that the program law will race even greater difficulties in the foreign travel. new Senate, which convenes on 5 October, because of opposition from the newly elected, An Quang-supported slate of Vu Van Mau. It is expected that the ten members of the Mau list plus seven or eight opposition holdovers will form an opposition bloc. The balance of power in the 60-member Senate would then rest with the approximately 17 independents allied with Senator Huyen. While these independents have been generally responsible in the past, there are reports that Huyen is flirting with the opposition with an eye on the 1971 presidential elections. It appears increasingly likely that Thieu will have to use decree powers without prior legislative approval if he wants to devalue the piaster and implement other measures to dampen down inflation. He remains reluctant to do this, however, because of the high political costs. Devaluation would almost certainly cause an upsurge in prices in the short range, providing the opposition with new ammunition and

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risking alienation of those with fixed incomes, such as the military and civil servants, upon whose support the government heavily depends. If, on the other hand, Thieu fails to act in the face of a deteriorating economic picture, his prestige, as head of government, will be seriously damaged in the months ahead.

believes Ky is beginning to reconsider his proposed visit to the U.S. in early October in connection with the "March for Victory." Ky had received a telephone call from the Ambassador to the U.S., Bui Diem, who discouraged the Vice President from making the trip.

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President Thieu was also advised by Diem that the trip should be aborted, citing the U.S. political climate and Ky's propensities for coming up with "surprises." Thieu agrees to the dangers of possible embarrassment to the GVN in the trip, but hopes that the U.S. will take the lead in advising against the trip so as to avoid any "backlash" from Ky.

Communist Developments

Hanoi's 25th anniversary celebrations produced no surprises or hints of future strategy. The entire Politburo was present except for Pham Hung, who presumably remained at his COSVN post. Premier Pham Van Dong, as usual, played the leading role on this occasion -- a government rather than a Party anniversary. The Premier voiced a standard endorsement of the NLF/PRG 10-point solution, emphasizing the two primary objectives in the South: Complete U.S. withdrawal and a coalition government. While putting forth the usual prescription for victory, he made a special effort to link the anti-war movement in South Vietnam with the Viet Cong. While an attempt to capitalize on the peace movement is not new for the Communists, the Premier's emphasis on this theme may presage stepped-up efforts to exploit this sentiment in the coming months. Peking's treatment of the anniversary reflected Communist China's long-standing apprehension regarding a possible peaceful settlement of the war by warning the Vietnamese not to be "duped or cowed" by U.S. "schemes and machinations." Moscow marked the anniversary in generally standard fashion, repeating promises of "all-round assistance" and avowals of support for Hanoi's position on a settlement.

An editorial in the North Vietnamese Army newspaper on 15 August that has just become available in Washington strongly suggests that the manpower mobilization effort now under way in the North is aimed in large part at meeting near-term Communist requirements for the Indochina war. The editorial, which reflects a resolution adopted by the military affairs department of the Party central committee, contains several explicit acknowledgments that many of the new conscripts and recruits will be sent to the front as a matter of priority and implies that a new drive to enlarge the northern local forces, militia, and reserves has been prompted by the requirements of a wider war. Some of the fruits of this mobilization drive may be reflected soon in increased infiltration.

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